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Docket No. W-01445A

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**Montezuma Rimrock Water Co LLC**  
MONTUZUMA RIMROCK WATER CO LLCAZ CORP COMMISSION  
DOCUMENT CONTROLP.O. Box 10  
4599 E. Goldmine Rd.  
Rimrock, AZ 86335  
928-300-3291Arizona Corporation Commission  
**DOCKETED**

JUL 24 2006

July 22, 2006

Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

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**Re: Docket No. W-01445A-05-0705**  
**Response to Arizona Water Company's Exceptions to Recommendation of**  
**Administrative Law Judge**

On July 11, 2006 the Administrative Law Judge (ALJ), Amy Bjelland, entered her recommendations to the Commissioners regarding the Arizona Water Company (AWC) application with the Arizona Corporation Commission ("Commission") to extend its service territory under its existing Certificate of Convenience and Necessity (CC&N). In that recommendation, the ALJ recommended that AWC's request to serve Parcel three, be denied. The ALJ based her decision on staff recommendation and administrative record.

On July 18, 2006, AWC filed its Exceptions to Recommendation of Administrative Law Judge, objecting to the ALJ's recommendation to deny certification of parcel three.

Montezuma Rimrock Water Company LLC (MRWC) would like to comment on the arguments filed to date.

**ACC's Notification to MRWC Regarding Proceedings**

On page 2, line 17 of AWC's exceptions dated July 18, 2006, states "...the neighboring company, Montezuma Rimrock Water Co., LLC ("Montezuma") did not become a party to this matter until Staff notified them about the proceedings." MRWC does not understand why AWC repeatedly makes commentary to this information being communicated to MRWC. MRWC is a small company and does not have a staffed "Legal Department" or subscription services to be informed of such pending actions. MRWC believes that ACC Staff is working in the best interest of the Public by showing transparency in government proceedings. AWC on the other hand seems to be implying either MRWC should not have been granted intervention, or is simply complaining to the Commissioners that they did not get their application thru with the least amount of public involvement.

**ACC obligation to Protect the Public Interest:**

MRWC believes that analysis of awarding certification of Parcel Three is incomplete without fully considering the impact to the neighboring Utility, MRWC.

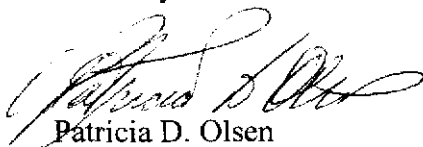
On page 3 of AWC's exceptions, lists 9 factors the commission should consider when extending a CC&N. Based on those 9 factors, MRWC believes that it could equally argue that it is well suited to serve Parcel Three, and in fact may be in the best interest of the public to serve that area.

MRWC would like to reiterate to the commissioners that MRWC's current CC&N is very limited in size, and its potential growth is severely limited by being bounded by public lands (Montezuma Well National Monument) and lands already developed and served by individual wells. Parcel three is a largely undeveloped area immediately adjacent to MRWC's CC&N, and has a 6" within 200' of parcel three. If Parcel Three were to be awarded to MRWC at a future time, the operation and financial efficiencies would have much more positive effect on MRWC than it would have on AWC's much larger operations.

MRWC is a private water utility with its CC&N located immediately to the east of AWC's requested CC&N extension. MRWC's interest in the proceedings is based on the proximity of the two utilities to one and other, and the benefit of the proposed extension to communities being served.

MRWC does not object to awarding of parcels 1 and 2 to AWC but Parcel 3 should be reserved for future consideration. MRWC believes that the Commission should carefully consider the ramifications of this action, which would essentially preclude any further expansion of MRWC's current service area.

Sincerely



Patricia D. Olsen

President

Montezuma Rimrock Water Co. LLC